

LAFOURCHE BASIN LEVEE DISTRICT  
STATE OF LOUISIANA

*Basis Financial Statements  
and Independent Auditors' Reports  
As of and for the Year Ended June 30, 2002  
With Supplemental Information*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Bureau House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/4/02

**LAFOURCHIE BASIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Basic Financial Statements  
and Independent Auditor's Report**

**As of and for the Year Ended June 30, 2003  
With Supplemental Information**

**LAFOURCHE BASIN LIVER DISTRICT**  
**P. O. BOX 670**  
**21560 HIGHWAY 20**  
**YACHTER, LOUISIANA 70090**  
**(225) 265-7545**

**GOVERNING BOARD**

<b>President Aubrey J. Graves</b>	-	<b>St. James Parish</b>
<b>Vice President Leroy Sullivan, Sr.</b>	-	<b>Assumption Parish</b>
<b>Lloyd Bessard</b>	-	<b>St. James Parish</b>
<b>Calvin Bonadona</b>	-	<b>Assumption Parish</b>
<b>Leonard Carmonelle, Jr.</b>	-	<b>Assumption Parish</b>
<b>Carl Brangnon</b>	-	<b>LaFourche Parish</b>
<b>Huston Lewis, Sr.</b>	-	<b>St. John the Baptist Parish</b>
<b>Terry J. Orkayne</b>	-	<b>LaFourche Parish</b>
<b>Kenneth Pelner</b>	-	<b>Assumption Parish</b>
<b>Darley Weber</b>	-	<b>St. Charles Parish</b>
<b>Shelley Tomet</b>	-	<b>St. Charles Parish</b>

**Randy J. Froehle, Administrative Manager**

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## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Board of Lease Commissioners of the  
Lafourche Basin Lease District  
State of Louisiana  
Bachette, Louisiana

We have audited the accompanying basic financial statements of the LAFOURCHE BASIN LEASE DISTRICT, a component unit of the State of Louisiana, as of and for the year ended June 30, 2002, as listed in the Table of Contents. These basic financial statements are the responsibility of Lafourche Basin Lease District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes considering, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Lafourche Basin Lease District, as of June 30, 2002, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Lafourche Basin Lease District adopted the provisions of *Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*; *Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; *Guidance and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Fund Balances in Governmental Fund Financial Statements*, as of July 1, 2001. This results in a change in the format and content of the basic financial statements.

The accompanying required supplementary information, including Management's Discussion and Analysis and the Budget Comparison as listed in the Table of Contents are not a required

part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We have also issued our report dated August 5, 2002 on our consideration of the Louisiana Lafourche Basin Levee District's annual financial report to the Louisiana Division of Administration as of and for the year ended June 30, 2002, which is listed in the Table of contents as Other Supplementary Information.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2002, on our consideration of the Lafourche Basin Levee District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.

*Larry J. Givens*  
Certified Public Accountant, APAC

*Bernard M. Byrd*  
Certified Public Accountant

August 5, 2002

The Management's Discussion and Analysis of the Lafourche Basin Levee District's financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2002. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Lafourche Basin Levee District's financial statements, which begin on page 6.

## FINANCIAL HIGHLIGHTS

- The Lafourche Basin Levee District's assets exceeded its liabilities at the close of fiscal year 2002 by \$13,363,685 which represents a 6% increase from last fiscal year. The net assets decreased by \$200,562.
- The Lafourche Basin Levee District's revenue decreased \$7,762,664. This is a significant decrease in revenue from prior fiscal year 2000 – 2001. A small portion of this decrease is due to a decline in interest rates. The majority of the decrease is because prior fiscal year revenue was grossly increased by a one-time environmental settlement of \$7,257,650.
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## OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

### Basic Financial Statements

The basic financial statements present information for the Lafourche Basin Levee District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

STATE OF LOUISIANA  
 LAFOURCHE BASIN LEVEE DISTRICT'S  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2002

The Statement of Net Assets presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Lafourche Basin Levee District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how Lafourche Basin Levee District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement presents information showing how Lafourche Basin Levee District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

## FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets  
 as of June 30, 2002  
 (in thousands)

	Total	
	2002	2001
Current and other assets	\$ 12,865	\$ 12,049
Capital assets	1,119	2,698
Total assets	13,984	14,747
Other liabilities	428	1,415
Long-term debt outstanding		
Total liabilities	428	1,415
Net assets:		
Invested in capital assets, net of debt	1,119	2,698
Restricted		
Unrestricted	12,265	12,485
Total net assets	\$ 13,384	\$ 15,183

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on what those amounts may be used for.

Net assets of Lafourche Basin Levee District's decreased by \$1,764,421, or 17%, from June 30, 2001 to June 30, 2002. One of the major causes of this decrease is the inclusion of infrastructure assets and the subsequent recording of depreciation expense with the adoption of the requirements of GASB Statement 34. This class of asset, which includes roads and levees, was not included in general fund assets of Lafourche Basin Levee District under the basis of accounting prior to adoption of GASB Statement 34.



STATE OF LOUISIANA  
**LAFOURCHE BASIN LEVEE DISTRICT'S**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2002**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**for the years ended June 30, 2002**  
**(in thousands)**

	Total	
	2002	2001
Operating revenues	\$ 170,476	\$ 330,277
Operating expenses	<u>(2,270,640)</u>	<u>(1,771,259)</u>
Operating income(loss)	<u>(1,800,064)</u>	<u>(1,440,973)</u>
Non-operating revenues(expenses)	<u>1,878,480</u>	<u>9,143,788</u>
Income(loss) before transfers	<u>(223,583)</u>	<u>7,702,815</u>
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ <u>(223,583)</u>	\$ <u>7,702,815</u>

The Lafourche Basin Levee District's total revenues decreased by \$2,626,400. The cause of the majority of this decrease was due to the prior fiscal year one-time environmental settlement as mentioned previously under "Financial Highlights."

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2002, the Lafourche Basin Levee District had \$2,668,373 invested in a broad range of capital assets, including land, building, and equipment. (See Table below). This amount represents a net increase (including additions and deductions) of \$84,557, or 3.2%, over last year.

**STATE OF LOUISIANA  
LAFOURCHE BASIN LEVEE DISTRICT'S  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2002**

**Capital Assets at Year-end  
(Net of Depreciation, in thousands)**

	<u>2002</u>	<u>2001</u>
Land	\$ 130	\$ 130
Buildings and improvements	565	575
Equipment	685	620
Infrastructure		
	<hr/>	<hr/>
Total	\$ 1,380	\$ 1,325

This year's major additions included (in thousands):

- Vehicles 89
- Tractor/Equipment 139

**Debt**

The Lafourche Basin Levee District had obligations for compensated advances of \$95,759.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$123,000 under budget due in part to declining interest rates. Expenses were less because the feasibility study of Donaldsonville to Gulf of Mexico Flood Control did not materialize as anticipated.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Lafourche Basin Levee District's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Revenues from ad valorem taxes increasing due to a rise in millage from 3.30 to 4.17 mils.
- Increasing costs of employee salaries and related benefits.
- Increasing insurance costs for liability and hospitalization costs.

The Lafourche Basin Levee District expects that next year's results will improve based on the following:

- Improving interest rates.
- Maintaining costs of employee salaries and related benefits.
- The feasibility study of Donaldsonville to Gulf of Mexico study to begin.

**STATE OF LOUISIANA  
LAFOURCHE BASIN LEVEE DISTRICT'S  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2022**

**CONTACTING THE LAFOURCHE BASIN LEVEE DISTRICT'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Lafourche Basin Levee District's finances and to show the Lafourche Basin Levee District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Clinton Rouyea, External Accountant.

## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
  - Governmental funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**LAFORCHE BASIN LEVEE DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2002**

**ASSETS**

<b>Current Assets</b>	
Cash and cash equivalents	\$ 190,366.89
Investments	12,576,332.45
Receivable - ad valorem taxes	4,346.91
Receivable - rents and royalties	60,506.20
Receivable - refunds	3,551.88
Notes receivable	50,627.75
<b>Total Current Assets</b>	<b>12,885,782.42</b>
<b>Noncurrent Assets</b>	
Capital assets -	
Land	190,227.80
Buildings and improvements	418,143.80
Machinery and equipment	2,199,681.80
Accumulated depreciation	(1,582,176.80)
<b>Total noncurrent assets</b>	<b>1,116,995.80</b>
<b>TOTAL ASSETS</b>	<b>\$ 13,992,782.42</b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>	
Accounts payable	\$ 49,687.64
Accrued salaries payable	18,398.15
Payroll deductions and accruals	1,181.98
Due to South Lafourche Levee District	7,479.00
Due to St. Charles Parish Council	285,431.45
<b>Total Current Liabilities</b>	<b>362,087.82</b>
<b>Noncurrent Liabilities</b>	
Compensated absences	66,759.60
<b>Total Noncurrent Liabilities</b>	<b>66,759.60</b>
<b>Total Liabilities</b>	<b>428,847.42</b>
<b>Net Assets</b>	
Investments in capital assets	1,116,995.80
Unrestricted	12,864,990.32
<b>Total Net Assets</b>	<b>13,981,986.12</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 13,992,782.42</b>

See accompanying notes to the basic financial statements.

**LAPOURCHER BASIN LEVEE DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2002**

**GOVERNMENT ACTIVITIES:**

**Public Safety - Flood Protection:**

Personal services and related benefits	\$ 1,219,100.28
Travel	15,864.49
Operating services	474,212.38
Professional services	181,532.83
Other charges	4,593.70
Intergovernmental transfers and expenses	539,490.68
Depreciation expense	<u>199,533.60</u>
<b>Total Expenses</b>	<u><b>2,525,695.94</b></u>

**GENERAL REVENUES:**

**Taxes -**

Ad valorem, net	1,715,048.53
Intergovernmental	90,268.65
Investment income	314,583.64
Miscellaneous	<u>380,854.55</u>

<b>Total General Revenues</b>	<u><b>2,500,695.37</b></u>
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<b>Increase in Net Assets</b>	<b>(250,900.57)</b>
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<b>NET ASSETS AT JUNE 30, 2000</b>	<u><b>15,604,576.21</b></u>
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<b>NET ASSETS AT JUNE 30, 2002</b>	<u><u><b>\$ 15,353,675.64</b></u></u>
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See accompanying notes to the basic financial statements.

**LAFORCHÉ BASIN LEVEE DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2002**

**ASSETS**

Cash and cash equivalents	\$ 190,760.09
Investments	12,578,132.49
Receivable - ad valorem taxes	8,540.59
Receivable - rents and royalties	65,565.26
Receivable - refunds	3,993.98
Notes receivable	<u>50,027.75</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 12,685,787.42</u></b>

**LIABILITIES AND FUND EQUITY**

**Liabilities**

Accounts payable	\$ 65,687.64
Accrued salaries payable	26,266.15
Payroll deductions and accruals	1,181.58
Due to South Lafourche Levee District	7,479.80
Due to St. Charles Parish Council	386,413.45
Deferred revenues	<u>50,027.75</u>
<b>Total Liabilities</b>	<b><u>452,865.95</u></b>

**Fund Equity**

Fund balances -	
Unreserved - undesignated	<u>12,281,721.47</u>
<b>Total Fund Equity</b>	<b><u>12,281,721.47</u></b>

<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 12,685,787.42</u></b>
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**Reconciliation of Total Government Fund Equity to the  
Assets of Government Activities**

Total Government Fund Equity	\$ 12,281,721.47
Amounts reported for Government activities in the Statement of Net Assets are different because:	
Capital assets used in Government activities are not Financial Resources and therefore are not reported in the Funds ( Net of Accumulated Depreciation of \$1,108,593.80)	1,108,593.80
Other long-term assets are not available to pay the current period expenditures and therefore are deferred to the funds	50,027.75
Long-Term Liabilities, including Compensated Absences, are not Due and Payable in the Current Period and therefore are reported in the Funds	<u>186,799.80</u>
<b>Net Assets of Governmental Activities</b>	<b><u>\$ 13,588,589.22</u></b>

See accompanying notes to the basic financial statements.

**LAPORTE BASIN LEVEE DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**YEAR ENDED JUNE 30, 2002**

**Revenues:**

**Taxes -**

Ad valorem, net \$ 1,713,048.53

**Intergovernmental -**

FEMA reimbursements 37,113.65

State revenue sharing 59,155.00

**Use of money and property -**

Interest earnings 104,940.64

Royalties and leases 169,790.59

**Miscellaneous -**

Other 7,544.35

Sales of surplus property 5,500.00

**Total Revenues** 2,105,092.15

**Expenditures:**

**Current -**

Personal services and related benefits 1,212,500.28

Travel 35,864.49

Operating services 472,856.45

Positional services 101,512.81

Other charges 4,591.79

Intergovernmental transfers and expenses 539,490.68

**Capital outlays** 189,873.25

**Total Expenditures** 2,527,890.34

**Excess of Revenues (Expenditures)** (422,797.99)

**FUND BALANCE - JUNE 30, 2001** 12,504,313.46

**FUND BALANCE - JUNE 30, 2002** \$ 12,081,515.47

See accompanying notes to the basic financial statements.



**LAPOURCHE BASIN LEVEE DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**YEAR ENDED JUNE 30, 2002**

***Reconciliation of the change in Fund Equity -  
 Governmental Fund to the change in Net Assets  
 of Governmental Activities***

Net Change in Fund Equity-Governmental Fund	<b>\$ (222,797.99)</b>
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures while Governmental Activities report depreciation expense to allocate these expenditures over the life of the assets	
Capital asset purchases expensed	208,518.00
Depreciation expense	(199,513.00)
Some expenses reported in the Statement of Activities, such as compensated absences, do not require use of current financial resources and therefore are not reported as expenditures in governmental funds	<u>(6,800.00)</u>
Change in Net Assets of Governmental Activities	<b><u>\$ (220,990.99)</u></b>

See accompanying notes to the basic financial statements.

# NOTES TO BASIC FINANCIAL STATEMENTS

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**LAFOURCHÉ BASIN LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.A. INTRODUCTION**

The Lafourché Basin Levee District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statutes (R.S.) 38:291. The Lafourché Basin Levee District is comprised of all or portions of the following parishes: Assumption, Assumption, Lafourché, St. Charles, St. James, and St. John the Baptist. The levee district primarily provides flood protection for those areas contained in the district. The governing board administers the operations and responsibilities of the levee district in accordance with the provisions of Louisiana statutes. The Board of Commissioners of the Lafourché Basin Levee District consists of eleven members appointed by the governor.

The accounting and reporting framework and the more significant accounting principles and policies of the Lafourché Basin Levee District are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the Lafourché Basin Levee District's financial activities for the fiscal year ended June 30, 2002. The Lafourché Basin Levee District implemented new reporting model standards beginning July 1, 2001. Comparability with reports of all prior years will be affected. Also see Note 2.B.

**1.B. FINANCIAL REPORTING ENTITY**

CSRS Statement No. 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The Lafourché Basin Levee District is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying basic financial statements present information only as to the transactions of the Lafourché Basin Levee District, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statements. The basic financial statement is issued by the Louisiana Division of Administration/Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

**1.C. BASIS OF PRESENTATION**

**Government-wide Financial Statements**

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the Lafourché Basin Levee District. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**Fund Financial Statements**

Fund financial statements of the Lafourché Basin Levee District are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that track assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is

**LAFOURCHES BASIN LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002**

placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Lafourches Basin Levee District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.

The fund of the Lafourches Basin Levee District is described below:

**Governmental Fund**

**General Fund**

The General Fund is the primary operating fund of the Lafourches Basin Levee District and is classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**1.D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "what" transactions are recorded within the various financial statements. Funds of accounting reflect or "reflect" transactions are recorded regardless of the measurement focus applied.

**Economic Resource Focus**

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in Item 6, below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds are fund balance as their measure of available spendable financial resources at the end of the period.

**Accrual Accounting**

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economically

**LAFOURCHE BASIN LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002**

ment used. Dividends, expenses, gains, losses, taxes, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

**1.E. ASSETS, LIABILITIES, NET ASSETS AND FUND EQUITY**

**Cash and Cash Equivalents, and Investments**

For the purpose of the Statement of Net Assets, cash and cash equivalents includes all demand, savings, accounts, and certificates of deposits with an original maturity of 90 days or less.

Investments are stated at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. These investments are reported at amortized cost. Fair value is based on quoted market price.

Additional cash and investment disclosures are presented in Notes 2.C. and 2.A.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at principal and not yet received.

In the fund financial statements, material receivables in governmental funds include revenue accounts such as ad valorem taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

**Capital Assets and Depreciation**

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

**Government-wide Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of acquisition value of \$1,000 or more are recorded at historical cost, or estimated historical cost if actual is unavailable. Donated fixed assets which are recorded at their estimated fair value at the date of donation.

**LAFOURCHE BASIN LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002**

**Infrastructure**

Prior to July 1, 2003, the infrastructure assets of governmental funds were not capitalized. The infrastructure assets are composed of nine floodgates that have been valued at estimated historical cost from information obtained from the U.S. Army Corps of Engineers.

The Lafourche Basin Levee District has both Mississippi River and Tributaries (MR&T) and Hurricane Protection Levees. These levees provide flood protection for most of the land areas contained within the District.

The Division of Administration, State of Louisiana, in a letter dated June 11, 2001, has advised that the Lafourche Basin Levee District does not provide major and significant improvements or maintenance to the levees that would constitute ownership under Governmental Accounting Standards Board (GASB 34) requirements. Based on guidance from the Division of Administration, the Lafourche Basin Levee District is required to report only a separate note disclosure of the MR&T and Hurricane Protection Levees in the financial statements. The Lafourche Basin Levee District mows grass and does minor repairs with its own workforce. Major repairs are normally made by the U.S. Corps of Engineers.

**Depreciation**

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Buildings	40 years
- Equipment	3-25 years

**Fund Financial Statements**

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**Compensated Absences**

Employees of the Lafourche Basin Levee District earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 808 hours of accrued vacation leave at the employee's hourly rate of pay at the time of termination.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences liability payable from expendable available financial resources.

**LAFOURCHE BASIN LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003**

***Equity Classifications***

***Government-wide Statements***

Equity is classified as net assets and displayed in three components:

- a. **Investment in Capital Assets** - Consists of capital assets (included restricted capital assets, net of accumulated depreciation).
- b. **Restricted Net Assets** - Consists of net assets with constraints placed on the use either by (i) external groups such as creditors, grantees, contributors, or laws or regulations of other governments, or (ii) law through constitutional provision or enabling legislation.
- c. **Unrestricted Net Assets** - All other net assets that do not meet the definition of "restricted" or "investment in capital assets."

***Fund Statements***

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

**1.F. REVENUES, EXPENDITURES, AND EXPENSES**

***Property Tax***

Article 6, Section 39 of the Louisiana Constitution of 1874 provides that for the purpose of maintaining and sustaining levees, levee drainage, flood protection, hurricane flood protection, and all other purposes incidental thereto, the levee district may levy annually a tax not to exceed five mills. While levee district councils can raise additional funds in excess of the amount collected constitutionally, the limit in excess of five mills must be approved by a majority vote of the council.

All relevant taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by District in November and billed to the taxpayers in December. Billed taxes become delinquent on January 1, of the following year.

***Expenditures/Expenses***

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

**Governmental Funds - By Character**

**Current (further classified by function)  
Debt Service  
Capital Outlay**

In the fund financial statements, governmental funds report expenditures of financial statements.

**LAFORCHE BASIN LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

By its nature as a state agency, the Lafourche Basin Levee District is subject to various state laws and regulations. An analysis of the Lafourche Basin Levee District's compliance with significant laws and regulations and determination of its stewardship over Lafourche Basin Levee District resources follows.

**2.A. FUND ACCOUNTING REQUIREMENTS**

The Lafourche Basin Levee District complies with all state laws and regulations requiring the use of separate funds. The Lafourche Basin Levee District has no legally accepted funds.

**2.B. RESTATEMENTS**

The Lafourche Basin Levee District implemented new reporting model standards in fiscal year 2002. As a result, beginning balances in the governmental fund financial statements are adjusted to remove the effect of unamortized compensated absence liabilities. Reversal amounts for the General Fund are \$1,112,349. *See* Note 1.A.

Fund Balance as of June 30, 2001	\$ 12,492,590
Fund source (use) as of June 30, 2001	1,100,999
Deferred revenues as of June 30, 2001	48,368
Deferred revenue unrecorded as of June 30, 2001	20,340
Correct error in record of bid deposit as of June 30, 2001	(1,000)
Compensated Absence as of June 30, 2001	<u>(58,959)</u>
Fund Balance related to Net Assets June 30, 2001	<u>\$ 13,694,379</u>

**2.C. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS**

In accordance with state law, all unsecured deposits of the Lafourche Basin Levee District in financial institutions must be secured with acceptable collateral valued at the time of deposit on par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or money bonds. As required by 12 U.S.C.A., Section 1813(g), all financial institutions pledging collateral to the Lafourche Basin Levee District must have a written collateral agreement approved by the Lafourche Basin Levee District of directors or loan committee. As referred to Note 1.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 33:2935 and the Lafourche Basin Levee District's investment policy.

**NOTE 3 - DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.



**LAFOURCHER BASIN LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002**

**3.A. CASH AND INVESTMENTS**

**Deposits**

The Lafourche Basin Levee District's policies regarding deposits of cash are discussed in Note 2.C. The table presented below is designed to disclose the level of custody credit risk assumed by the Lafourche Basin Levee District based upon how its deposits were insured or secured with collateral as June 30, 2002. The categories of credit risk are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Lafourche Basin Levee District or by its agent in its name

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Lafourche Basin Levee District's name

Category 3 – Uninsured and uncollateralized, or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Lafourche Basin Levee District's name, or collateralized with instruments of approved collateral agreements

Type of Deposits	Total Bank Balances	Category		Total Custody Value
		1	2	
Insured deposits	\$ 228,915	\$ 100,000	\$ 0	\$ 1,350,553
Total Deposits	\$ 228,915	\$ 100,000	\$ 0	\$ 1,350,553

**Reconciliation to Statement-wide Statement of Net Assets**

Plaid cash	\$ 90
Uninsured cash	135,760
	<u>\$ 135,750</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, F.S. 39:1229 imposes a statutory requirement on the custodial bank to deliver and sell the pledged securities within 10 days of being notified by the Lafourche Basin Levee District that the fiscal agent has failed to pay deposited funds upon demand.

**Investments**

The Lafourche Basin Levee District's policies and applicable laws regarding investments are discussed in Note 2.D, and 2.E. The table presented below is designed to disclose the level of custody credit risk assumed by the Lafourche Basin Levee District based upon whether the investments are insured or registered and upon who holds the security as June 30, 2002. The categories of credit risk are defined as follows:

Category 1 – Insured or registered with securities held by the Lafourche Basin Levee District or its agent in the Lafourche Basin Levee District's name

Category 2 – Uninsured and unregistered with securities held by counter party's trust department or agent in the Lafourche Basin Levee District's name

**LAFORCHE BASIN LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002**

Category 3 - Uninsured and unregistered with insurance held by the donor party or by its trust department or agent but not in the Lafourche Basin Levee District's name:

Type of Investment	Category			Carrying Amount	Fair Value
	1	2	3		
U.S. Government Securities	\$ 12,578,152	\$ 0	\$ 0	\$ 12,578,152	\$ 12,578,152
Total Investments	\$ 12,578,152	\$ 0	\$ 0	\$ 12,578,152	\$ 12,578,152

Reconciliation to Government-wide Statement of Net Assets:

Uninsured	\$ 12,578,152
Total Investments	\$ 12,578,152

### 3.1. NOTES RECEIVABLE

The District has entered into several installment sale transactions transferring title to immovable property to other political subdivisions as follows:

- In July 1995, a building with an original cost of \$349,550 was sold to Assumption Parish Police Jury for \$75,000 with a down payment of \$7,500 and a balance receivable of \$67,500 to be paid in nine installments of \$7,500 due January of each year through the year 2003.
- In October 1997, some equipment was sold to St. James Parish Council for \$22,499.20 with a down payment of \$4,299.84 and a balance receivable of \$17,199.36 to be paid in four installments of \$4,299.84 due December of each year.
- In November 1997, some equipment was sold to Assumption Parish Police Jury for \$22,808.00 with a down payment of \$2,140.00 and a balance receivable of \$20,668.00 to be paid in thirteen installments of \$1,140.00 due in November of each year until paid.
- In February 2000, some equipment was sold to Lafourche Parish Recreation District No. 8 for \$50,677.75 with a down payment of \$5,647.77 and a balance receivable of \$45,030.98 to be paid in nine installments of \$5,003.44 due in March of each year until paid.
- On August 29, 2000, a recreational facility in the Guide Buies Section of St. John the Baptist Parish was sold to the St. John the Baptist Parish Council for \$20,500.00 to be paid in annual installments of \$1,025.00 with the first due on September 1, 2000 and each year thereafter until paid.

The changes in these transactions for the year ended June 30, 2002 is as follows:

	Balance 06/30/2001	Payments Received	Balance 06/30/2002
Assumption Parish Police Jury	\$ 7,500	\$ 7,500	\$ 0
St. James Parish Council	4,500	4,500	0
Assumption Parish Police Jury	18,180	1,340	17,180
Lafourche Parish Recreation District No. 8	19,677	5,000	14,677
St. John the Baptist Parish Council	20,500	2,050	18,450

**LAFOURCHETTE BASIN LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002**

Total \$ 70,817 \$ 29,892 \$ 30,027

**3.C. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2002, was as follows:

	Balance at June 30, 2001	Additions	Depreciation	Balance at June 30, 2002
<i>Government activities:</i>				
Land	\$ 150,127			\$ 150,127
Buildings and improvements	418,153			418,153
Machinery and equipment	1,847,906	\$ 208,518	\$ (26,441)	2,170,083
Total Capital assets	2,416,186	208,518	(26,441)	2,598,263
Less accumulated depreciation	(1,868,506)	(199,515)	26,441	(1,941,580)
Governmental activities capital assets, net	<u>\$ 1,250,000</u>	<u>\$ 9,003</u>	<u>\$ 0</u>	<u>\$ 1,156,683</u>

There are 65 miles of M&MT levees that lie within the jurisdiction of the Lafourchette Basin Levee District. These levees were constructed and improved over the past 150 years by both original landowners and Federal and State Governments. The estimated cost of the 65 miles of M&MT levees as of June 30, 2002 is \$30,496,052. This estimate is based on information obtained from the New Orleans District of the U.S. Army Corps of Engineers.

**3.D. INTERGOVERNMENTAL PAYABLES AND TRANSFERS**

Of all taxes collected by the Lafourchette Basin Levee District from property located within certain areas of Lafourchette Parish and St. Charles Parish located west of the Mississippi River, not less than 17% and 50%, respectively, of each collection shall be expended for the purposes of levee construction, levee maintenance, and other flood control and drainage works within the portions of these parishes from which the taxes were collected upon request by these parishes. These expenditures shall be in cash or in-kind services as determined by parish governing body and shall be certified as verified by the parish's governing body at the end of each fiscal year. The District transferred \$530,491 in cash to St. Charles Parish Council.

**3.E. LONG-TERM DEBT**

*Governmental Activities*

As of June 30, 2002, the governmental long-term debt of the Lafourchette Basin Levee District consists of the following:

<i>Accrued Compensated Absences</i>	
Current portion	\$ 0
Noncurrent portion	<u>66,792</u>
Total Governmental activity debt	<u>\$ 66,792</u>

**LAFORCHE BASIN LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002**

**Changes in Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2002:

Type of Debt	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
<b>Governmental Activities:</b>				
<b>Assured Compensated</b>				
<b>Bond Issue</b>	\$ 52,252	\$ 48,797	\$ 15,297	\$ 85,752
<b>Total General Long-Term Debt</b>	<u>\$ 52,252</u>	<u>\$ 48,797</u>	<u>\$ 15,297</u>	<u>\$ 85,752</u>

**NOTE 4. - OTHER NOTES**

**4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

**Pension Plan**

Substantially all of the employees of the Lafourche Basin Levee District are members of the Social Security System. Covered employees are required to contribute 7.5% of their gross salary and the District matches the contribution. The District's contribution to the System for the year ended June 30, 2002 was \$40,094, equal to the required contribution. The District does not have any liability for employees' pension benefits.

**Postretirement Health Care and Life Insurance Benefits**

The Lafourche Basin Levee District provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Lafourche Basin Levee District's employees become eligible for these benefits if they reach normal retirement age while working for the Lafourche Basin Levee District. These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Benefits Program where monthly premiums are paid jointly by the employee and by the Lafourche Basin Levee District. The Lafourche Basin Levee District recognizes the cost of providing these benefits as an expenditure when paid during the year. For the year ended June 30, 2002, the cost of retiree benefits for six retirees totaled \$12,197.

**Deferred Compensation Plan**

Effective July 17, 2000, the District established a 457 Retirement Plan with Transamerica Insurance Company adopting Transamerica's Allocated Insurance which allows each participant to choose from four or more funds offered. This gives each participant their own account with the ability to administer their individual account.

The District's contribution rate for the fiscal year was 7.6% or \$57,515 with the employees contributing \$52,170.

**LAFOURCHES BASIN LEVEE DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**4.B. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Lafourches Basin Levee District's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

**4.C. RISK MANAGEMENT**

The Lafourches Basin Levee District is exposed to various risks of loss related to notes; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The Lafourches Basin Levee District manages these various risks of loss as follows:

Type of Loss	Method Managed	Risk Retained
Torts, errors and omissions	Facultated insurance with Louisiana Office of Risk Management public entity risk pool	None
Injuries to employees (Workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool.	None
Physical property loss and natural disasters	Facultated insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and life	Participates in Louisiana Office of Group Benefits Plan	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Lafourches Basin Levee District. Retired claims have not exceeded this insurance coverage in any of the past three fiscal years.

**Public Entity Risk Pool**

The Lafourches Basin Levee District participates in the Louisiana State Office of Risk Management (risk entity pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Lafourches Basin Levee District.

**4.D. COMMITMENTS AND CONTINGENCIES**

**Contingencies**

**Litigation**

The Lafourches Basin Levee District is a defendant in lawsuits involving alleged personal injury. The District's legal counsel has reviewed all claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the District. The legal counsel is of the opinion that liability from suits is questionable as insurance coverage appears adequate and that no significant monetary liability is contemplated at this time so it is not easy to render an opinion regarding suits. The liability amount, if any, cannot be reasonably estimated at this time.

LAPOURCHE BASIN UPPER DISTRICT  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002

**4.E. COMPENSATION PAID TO BOARD MEMBERS**

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 14 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 28:288, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per meeting and not to exceed 36 meetings per year (\$2,700), plus actual expenses.

The Board President, Mr. Anthony J. Garvin, is paid a monthly salary of \$1,000 in lieu of per diem during his term in office, as authorized by R.S. 28:288.

<u>Board Member</u>	<u>Salary</u>	<u>Amount</u>
Anthony J. Garvin	\$ 12,000	
Eloyd Beemel		\$ 1,475
Calvin Bernaudine		835
Joe Bonalume		1,315
Carl Bourgoin		1,690
Lawrence Carmichael, Jr.		2,635
Winston Lewis		1,700
Terry Gachyue		1,700
Kenneth Pickler		2,680
Loring Sullivan, Jr.		1,090
Shelly Tamm		1,175
Dwight White		1,680
<b>Total</b>	<u>\$ 12,000</u>	<u>\$ 22,375</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedules – General Fund

**LAURENCE BUSH ENGINE LUBES DISTRICT**  
**BUDGETARY COMPARISON ACCOUNT - GENERAL FUND**  
**YEAR ENDED 3/31/01**

Description	Fiscal Year		Actual	Variance
	Original	Final		
<b>Revenue</b>				
<b>Taxes</b>				
Ad valorem, net	\$ 3,765,110.00	\$ 3,765,110.00	\$ 3,713,648.36	\$ (51,461.64)
Intergovernmental -				
FEMA reimbursement				
loss revenue sharing	71,886.00	71,886.00	57,113.05	(14,772.95)
Use of money and property -				
services/capital	412,800.00	412,800.00	314,648.68	(98,151.32)
Regulation and license	328,000.00	328,000.00	399,799.38	71,799.38
<b>Miscellaneous</b>				
Other	22,078.00	22,078.00	7,544.19	(14,533.81)
Sale of surplus property			5,328.00	5,328.00
<b>Total Revenue</b>	<b>3,495,074.00</b>	<b>3,495,074.00</b>	<b>3,395,090.53</b>	<b>(99,983.47)</b>
<b>Expenditures</b>				
<b>Current</b>				
Personnel services and related benefits				
Travel	1,148,134.00	1,148,134.00	1,212,308.38	64,174.38
Operating services	13,300.00	13,300.00	15,864.49	2,564.49
Professional services	3,064,140.00	3,064,140.00	475,455.46	(2,588,684.54)
Other charges	167,126.00	167,126.00	379,312.01	212,186.01
Intergovernmental transfers/reimbursements	3,000.00	3,000.00	4,892.79	1,892.79
Capital outlays	477,134.00	477,134.00	915,490.68	438,356.68
<b>Total Expenditures</b>	<b>6,403,074.00</b>	<b>6,403,074.00</b>	<b>2,377,999.31</b>	<b>(4,025,074.69)</b>
<b>Source of Revenue (Appropriation)</b>	<b>(3,495,074.00)</b>	<b>(3,495,074.00)</b>	<b>(215,797.00)</b>	<b>3,279,276.99</b>
<b>FUND BALANCE - 3/31/01, 2001</b>	<b>3,581,632.00</b>	<b>3,581,632.00</b>	<b>12,292,319.46</b>	<b>8,710,687.46</b>
<b>FUND BALANCE - 3/31/01, 2001</b>	<b>(577,025.00)</b>	<b>(577,025.00)</b>	<b>12,280,294.47</b>	<b>12,857,319.47</b>



**OTHER REPORTS REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board Members of  
Lafourche Basin Lower District  
State of Louisiana  
Vicksimo, Louisiana

We have audited the basic financial statements of the LAFOURCHE BASIN LOWER DISTRICT, a component unit of the State of Louisiana, as of and for the year ended June 30, 2003, and have issued our report thereon dated August 5, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

**Compliance**

As part of obtaining reasonable assurance about whether the Lafourche Basin Lower District's basic financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Lafourche Basin Lower District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material

in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Lafourche Basin Levee District and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

*Gregory J. Cherry*

Certified Public Accountant, CPA/C

*Beverly M. Byrd*

Certified Public Accountant

August 5, 2002

**LAFOURCHE BASIN LEVEE DISTRICT  
SCHEDULE OF FINDINGS  
YEAR END JUNE 30, 2002**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Lafourche Basin Levee District.
2. No reportable conditions were disclosed during the audit of the basic financial statements.
3. No instances of noncompliance were disclosed during the audit of the basic financial statements.
4. There were no federal awards received by Lafourche Basin Levee District.

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT**

**NONE**

**LAPOLINCHIE BASIN LEVEE DISTRICT  
RESOLUTION OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2002**

**There were no prior year audit findings.**

**SUPPLEMENTAL INFORMATION REQUIRED BY**  
**STATE OF LOUISIANA**  
**DIVISION OF ADMINISTRATION**  
**OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

The following pages contain a report on the Lafourche Basin Levee District's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

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**INDEPENDENT AUDITORS' REPORT ON  
THE ANNUAL FINANCIAL REPORT TO THE  
STATE OF LOUISIANA, DIVISION OF ADMINISTRATION  
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

**Board Members of  
Lafourche Basin Lower District  
State of Louisiana  
Vacherie, Louisiana**

Our report on the audit of the basic financial statements of the LAFOURCHE BASIN LOWER DISTRICT as of and for the year ended June 30, 2002, appears on Page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Annual Financial Report as of and for the year ended June 30, 2002, is prepared for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Leroy J. Choate*  
Certified Public Accountant, APAC

*Beverly A. Ryall*  
Certified Public Accountant

August 5, 2002

COMPONENT UNIT  
FINANCIAL STATEMENTS

LAFOURCHIE BASIN LEVEE DISTRICT  
STATE OF LOUISIANA

For the Year Ended June 30, 2002

DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY



Schedule Number

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ending June 30, 2003

Lafourche Beaudouin District  
(Agency Name)

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 84086  
Baton Rouge, Louisiana 70804-0086

Legislative Auditor  
P. O. Box 84087  
Baton Rouge, Louisiana 70804-0087

**AFIDAVIT**

Personally came and appeared before the undersigned authority, Robert Gravelle (President) (Name)  
(Title) of Lafourche Beaudouin District (Agency) who duly sworn, deposes and says, that the  
financial statements herewith given present fairly the financial position of  
(agency) at June 30, 2003 and the results of operations for the year then ended in accordance with  
policies and practices established by the Division of Administration or in accordance with Generally  
Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.  
Sworn and subscribed before me, this 27th day of August, 2003.

  
\_\_\_\_\_  
Signature of Agency Official  
Robert Gravelle

  
\_\_\_\_\_  
NOTARY PUBLIC - JOSEPH C. MILLER

  
\_\_\_\_\_  
Prepared by: Clinton Roupie, Jr.

Title: Internal Accountant

Telephone No.: 225-688-1451

Date: August 25, 2003

LAFOURCHE BASIN LEVEE DISTRICTS  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2002

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STATE OF LOUISIANA  
LAFOURCHE BASIN LEVEE DISTRICT'S  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2002

The Management's Discussion and Analysis of the Lafourche Basin Levee District's financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2002. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Lafourche Basin Levee District's financial statements, which begin on page 5.

## FINANCIAL HIGHLIGHTS

- ★ The Lafourche Basin Levee District's assets exceeded its liabilities at the close of fiscal year 2002 by \$10,360,885 which represents a 6% increase from last fiscal year. The net assets decreased by \$220,582.
- ★ The Lafourche Basin Levee District's revenue decreased \$7,792,904. This is a significant decrease in revenue from prior fiscal year 2000 – 2001. A small portion of this decrease is due to a decline in interest rates. The majority of the decrease is because prior fiscal year revenue was grossly increased by a one-time environmental settlement of \$7,257,680.
- ★

## OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

### Basic Financial Statements

The basic financial statements present information for the Lafourche Basin Levee District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets, the Statement of Revenue, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

STATE OF LOUISIANA  
LAFOUCHE BASIN LEVEE DISTRICT'S  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2002

The Statement of Net Assets presents the current and long term positions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Lafouche Basin Levee District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how Lafouche Basin Levee District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement presents information showing how Lafouche Basin Levee District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

## FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets  
as of June 30, 2002  
(in thousands)

	Total	
	2002	2001
Current and other assets	\$ 12,868	\$ 12,869
Capital assets	1,116	2,858
Total assets	13,984	15,727
Other liabilities	408	1,418
Long-term debt outstanding		
Total liabilities	408	1,418
Net assets:		
Invested in capital assets, net of debt	1,116	2,858
Restricted		
Unrestricted	12,785	12,483
Total net assets	\$ 13,984	\$ 15,341

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on what those amounts may be used for.

Net assets of Lafouche Basin Levee District's decreased by \$1,704,421, or 11%, from June 30, 2001 to June 30, 2002. One of the major causes of this decrease is the inclusion of infrastructure assets and the subsequent recording of depreciation expense with the adoption of the requirements of GASB Statement 34. This class of asset, which includes roads and levees, was not included in general fund assets of Lafouche Basin Levee District under the basis of accounting prior to adoption of GASB Statement 34.

STATE OF LOUISIANA  
 LAFOURCHE BASIN LEVEE DISTRICT'S  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2002

Statement of Revenues, Expenses, and Changes in (Fund) Net Assets  
 for the year ended June 30, 2002  
 (in thousands)

	Total	
	2002	2001
Operating revenues	\$ 170,576	\$ 352,277
Operating expenses	<u>(2,070,843)</u>	<u>(1,777,350)</u>
Operating income/(loss)	<u>(1,900,267)</u>	<u>(1,425,073)</u>
Non-operating revenues/(expenses)	<u>1,676,408</u>	<u>9,143,786</u>
Income/(loss) before transfers	<u>(223,859)</u>	<u>7,718,713</u>
Transfers in		
Transfers out		
Net increase/(decrease) in net assets	\$ <u>(223,859)</u>	\$ <u>7,718,713</u>

The Lafourche Basin Levee District's total revenues decreased by \$7,525,493. The cause of the majority of this decrease was due to the prior fiscal year one-time environmental settlement as mentioned previously under "Financial Highlights."

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2002, the Lafourche Basin Levee District had \$2,588,373 invested in a broad range of capital assets, including land, building, and equipment. (See Table below). This amount represents a net increase (including additions and deductions) of \$94,057, or 50%, over last year.

**STATE OF LOUISIANA  
LAFOURCHE BASIN LEVEE DISTRICT'S  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2002**

**Capital Assets at Year-end  
(Net of Depreciation, in thousands)**

	<u>2002</u>	<u>2001</u>
Land	\$ 130	\$ 130
Buildings and improvements	585	915
Equipment	685	875
Infrastructure		
	<u>1,400</u>	<u>1,920</u>
<b>Total</b>	<b>\$ 1,400</b>	<b>\$ 1,920</b>

This year's major additions included (in thousands):

- Vehicles 60
- Tractor/Equipment 128

**Debt**

The Lafourche Basin Levee District had obligations for compensated absences of \$80,756.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$123,000 under budget due in part to declining interest rates. Expenses were less because the feasibility study of Donaldsonville to Gulf of Mexico Flood Control did not materialize as anticipated.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Lafourche Basin Levee District's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Revenue from ad valorem taxes increasing due to a rise in millage from 3.20 to 4.17 mils.
- Increasing costs of employee salaries and related benefits.
- Increasing insurance costs for liability and hospitalization costs.

The Lafourche Basin Levee District expects that next year's results will improve based on the following :

- Improving interest rates.
- Maintaining costs of employee salaries and related benefits.
- The feasibility study of Donaldsonville to Gulf of Mexico study to begin.

**STATE OF LOUISIANA  
LAFOURCHE BASIN LEVEE DISTRICT'S  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2002**

**CONTACTING THE LAFOURCHE BASIN LEVEE DISTRICT'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Lafourche Basin Levee District's finances and to show the Lafourche Basin Levee District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Clinton Rozyea, External Accountant.

STATE OF LOUISIANA  
LABORERS' GARNISHMENT DISTRICT  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2000

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents (State C)	0	15.00
Investments (State C)		0.00
Receivables (net of allowance for doubtful accounts) (State A)		0.00
Due from other funds (State C)		
Due from federal government		
Inventory		
Prepayments		
Notes receivable		0.00
Receivables (State F)		
Cash		
Investments		
Receivables		
Other current assets		
Total current assets		15.00
<b>NONCURRENT ASSETS</b>		
Receivables (State F)		
Cash		
Investments		
Receivables		
Notes receivable		
Capital assets (net of accumulated depreciation) (State D)		
Land		0.00
Buildings and improvements		0.00
Machinery and equipment		0.00
Furniture		
Construction-in-progress		
Other noncurrent assets		
Total noncurrent assets		0.00
Total assets	0	15.00

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable and accrued (State A)	0	0.00
Due to other funds (State F)		
Due to federal government		
Unearned revenues		
Accounts held temporarily by others		
Other current liabilities		
Current portion of long-term liabilities		
Contracts payable		
Unemployment benefits payable		
Compensation expenses payable (State F)		0.00
Capital lease obligations - (State D)		
Notes payable		
Liabilities payable from restricted assets (State F)		
Receivables		
Other long-term liabilities		
Total current liabilities		0.00
<b>NONCURRENT LIABILITIES</b>		
Contracts payable		
Unemployment benefits payable		
Compensation expenses payable (State F)		0.00
Capital lease obligations (State D)		
Notes payable		
Liabilities payable from restricted assets (State F)		
Receivables		
Other long-term liabilities		
Total noncurrent liabilities		0.00
Total liabilities		0.00

**NET ASSETS**

Invested in capital assets, net of accumulated depreciation		15.00
Reserve funds		
Capital projects		
Due to other funds		
Unemployment compensation		
Other special purposes		
Unrestricted		0.00
Total net assets		15.00
Total liabilities and net assets	0	15.00

The accompanying notes are an integral part of this financial statement.  
Exhibit A



STATE OF LOUISIANA  
LAFOURCHIE BASIN LEVEE DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2000

<b>OPERATING REVENUE</b>	
Sales of commodities and services	\$ _____
Assessments	_____
Sale of money and property	_____ 50,787
Licenses, permits, and fees	_____ 10,782
Other	_____
Total operating revenues	_____ 173,350
<b>OPERATING EXPENSES</b>	
Executive	_____ 50,465
Administration	_____ 100,187
Depreciation	_____ 180,511
Levee Maintenance	_____ 5,300,042
Total operating expenses	_____ 5,631,205
Operating income(loss)	_____ (5,457,855)
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	_____
Intergovernmental revenues (expenses)	_____ 180,000
Fines	_____ 1,700,249
Use of money and property (interest only)	_____ 114,541
Sale (loss) on disposal of fund assets	_____
Federal grants	_____
Interest expense	_____
Other	_____ 41,330
Total non-operating revenues(expenses)	_____ 1,035,480
Income(loss) before contributions and transfers	_____ (208,600)
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	_____ (208,600)
Total net assets – beginning as restated	_____ 13,884,578
Total net assets – ending	\$ _____ 13,675,978

The accompanying notes are an integral part of this financial statement.  
Statement 18

STATE OF LOUISIANA  
 LAFOURCHE BASIN LEVEE DISTRICT  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component Unit:				
Component Unit K \$	<u>2,670,848</u>	<u>\$ 173,576</u>	<u>\$</u>	<u>\$ (1,897,697)</u>
General revenues:				
Taxes				<u>1,768,494</u>
State appropriations				
Grants and contributions not restricted to specific programs				<u>(891,738)</u>
Interest				<u>216,591</u>
Miscellaneous				<u>44,555</u>
Special items				
Transfers				
Total general revenues, special items, and transfers				<u>1,575,458</u>
Change in net assets				<u>(232,889)</u>
Net assets - beginning				<u>1,362,578</u>
Net assets - ending				<u>\$ 1,129,689</u>

STATE OF LOUISIANA  
LAFOURCHE BASIN LEVEE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2003

<b>Cash flows from operating activities</b>		
Cash received from customers	\$	
Cash payments to suppliers for goods and services		<u>11,458,418</u>
Cash payments to employees for services		<u>804,968</u>
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues/expenses		<u>1,808,544</u>
Net cash provided/(used) by operating activities		<u>29,000</u>
<b>Cash flows from non-capital financing activities</b>		
State appropriations - Revenue sharing		<u>71,319</u>
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other		<u>78,217</u>
Transfers in		
Transfers out		<u>(541,878)</u>
Net cash provided/(used) by non-capital financing activities		<u>(492,342)</u>
<b>Cash flows from capital and related financing</b>		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided/(used) by capital and related financing activities		<u>0</u>
<b>Cash flows from investing activities</b>		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		<u>518,381</u>
Net cash provided/(used) by investing activities		<u>518,381</u>
Net increase/(decrease) in cash and cash equivalents		<u>16,659</u>
Cash and cash equivalents at beginning of year		<u>155,580</u>
Cash and cash equivalents at end of year	\$	<u>172,239</u>

The accompanying notes are an integral part of this statement.

Statement 0

STATE OF LOUISIANA  
LAFOURCHE BASIN LEVEE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2009

**Reconciliation of accounting inconsistency in net cash provided/used by operating activities:**

Operating income(loss)	\$ 230,550
Adjustments to reconcile operating income(loss) to net	
Depreciation/amortization	109,813
Provision for uncollectible accounts	
Changes in assets and liabilities:	
(Increase)/decrease in accounts receivable	(8,550)
(Increase)/decrease in due from other funds	
(Increase)/decrease in prepayments	
(Increase)/decrease in inventories	
(Increase)/decrease in other assets	
(Increase)/decrease in accounts payable	20,000
(Increase)/decrease in accrued payroll and related benefits	7,487
(Increase)/decrease in compensated absences payable	5,000
(Increase)/decrease in due to other funds	17,500
(Increase)/decrease in deferred revenues	(20,500)
(Increase)/decrease in other liabilities	
Net cash provided/used by operating activities	\$ 348,800

**Publications and research grants:** *Investigating, Evaluating, and Improving Instruction*; *MOT APPLICATING IT*

Issuance under capital lease	
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
<b>Total noncash investing, capital, and financing activities</b>	<b>0</b>

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This advertising code is an integral part of this document.

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STATE OF LOUISIANA  
LAFOURCHE BASIN LEVEE DISTRICT  
Notes to the Financial Statement  
As of and for the year ended June 30, 2002

**INTRODUCTION**

The Lafourche Basin Levee District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:291. The following is a brief description of the operations of Lafourche Basin Levee District which includes the periods/periods in which the Lafourche Basin Levee District's is located.

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

In April of 1954, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Lafourche Basin Levee District present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement basis applied.

The accounts of the Lafourche Basin Levee District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the Lafourche Basin Levee District are annual lapping appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

STATE OF LOUISIANA  
 LAFOURCHÉ BASIN LEVEE DISTRICT  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2002

APPROPRIATIONS

Original approved budget	\$ <u>8,438,348</u>
Amendments	<u>none</u>
	<u>                    </u>
	<u>                    </u>
Final approved budget	\$ <u>8,438,348</u>

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Lafourché Basin Levee District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Lafourché Basin Levee District may invest in time certificates of deposit at state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at June 30, 2002 were secured as follows:

Deposits in bank accounts

	<u>Cost</u>	<u>Certificates of deposit</u>	<u>Other (discounted)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ <u>180,732</u>	\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>180,732</u>
Bank balances:				
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	<u>180,000</u>	<u>                    </u>	<u>                    </u>	<u>180,000</u>
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	<u>514,958</u>	<u>                    </u>	<u>                    </u>	<u>514,958</u>
3. Uncollateralized, including any securities held for the entity located in the entity's name	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>0</u>
Total bank balances	\$ <u>514,958</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>514,958</u>

STATE OF LOUISIANA  
 LAFOURCHE BASIN LEVEE DISTRICT  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2002

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

Banking Institution	Program	Amount
1. First American Bank	General Fund	\$ 180,719
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
Total		\$ 180,719

Were uncollateralized securities fitting the description in (3) above during the year significantly greater than at June 30, 2001 (last day of your fiscal year)? If yes, attach a statement listing the amount(s) and a reason for this occurrence. NO.

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included in the balance sheet.

Cash in State Treasury \$ none  
 Petty Cash \$ 38

## 2. INVESTMENTS

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

The Lafourche Basin Levee District does maintain investment accounts as authorized by Revised Statute 38:298.5 (State legal provisions authorizing investments by Lafourche Basin Levee District).

STATE OF LOUISIANA  
 LAFOURCHE BASIN LEVEE DISTRICT  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2002

Type of Investment	Category of Risk			Recorded Amount	Fair Value
	1	2	3		
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ 0	\$ _____
U.S. Governmental securities	<u>12,378,132</u>	_____	_____	<u>12,378,132</u>	<u>12,378,132</u>
Common & preferred stock	_____	_____	_____	0	_____
Commercial paper	_____	_____	_____	0	_____
Corporate bonds	_____	_____	_____	0	_____
Other (identify)	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
Total categorized investments	\$ <u>12,378,132</u>	\$ _____	\$ <u>0</u>	\$ <u>12,378,132</u>	\$ <u>12,378,132</u>
Investments not categorized (list separately)	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total Investments				\$ <u>12,378,132</u>	\$ <u>12,378,132</u>



STATE OF LOUISIANA  
LAFOURCHE BASIN LEVEE DISTRICT  
Notes to the Financial Statement  
As of and for the year ended June 30, 2002

**D. CAPITAL ASSETS**

The fixed assets used in the Special Purpose Government engaged only in business-type activities are included on the statement of net assets and are capitalized at cost. Depreciation of all depreciable fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2002				Total Fiscal Adjustment	Adjusted Balance \$10,000's
	Balance \$10,000's	Additions	Transfers <sup>1</sup>	Retirements		
<b>Capital assets not being depreciated</b>						
Land	100,291	--	--	--	--	100,291
Non-depreciable improvements	--	--	--	--	--	--
Capitalized projects	--	--	--	--	--	--
Construction in progress	0	--	--	--	--	0
<b>Total capital assets not being depreciated</b>	<b>100,291</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>100,291</b>
<b>Other capital assets</b>						
Furniture, fixtures, and equipment	1,081,400	308,818	--	--	--	1,390,218
Less accumulated depreciation	--	(208,818)	--	--	(1,081,400)	(1,290,218)
<b>Total furniture, fixtures, and equipment</b>	<b>1,081,400</b>	<b>308,818</b>	<b>--</b>	<b>--</b>	<b>(1,081,400)</b>	<b>99,800</b>
<b>Buildings and improvements</b>						
Less accumulated depreciation	--	(20,448)	--	--	(18,448)	(18,448)
<b>Telecommunications and improvements</b>	<b>488,183</b>	<b>(20,448)</b>	<b>--</b>	<b>--</b>	<b>(18,448)</b>	<b>469,735</b>
<b>Depreciable fixed improvements</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0</b>	<b>--</b>	<b>0</b>
Less accumulated depreciation	--	--	--	--	--	--
<b>Total depreciable fixed improvements</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Infrastructure</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0</b>
Less accumulated depreciation	--	--	--	--	--	--
<b>Total infrastructure</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0</b>
<b>Total other capital assets</b>	<b>1,489,583</b>	<b>(1,448)</b>	<b>--</b>	<b>--</b>	<b>(1,299,848)</b>	<b>189,732</b>
<b>Capital Asset Inventory</b>						
Capital assets not being depreciated	100,291	--	--	--	--	100,291
Other capital assets, net	1,489,583	(1,448)	--	--	--	1,488,135
<b>Total cost of capital assets</b>	<b>1,589,874</b>	<b>(1,448)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,588,426</b>
Less accumulated depreciation	--	(229,266)	--	--	(189,848)	(1,290,218)
<b>Capital assets, net</b>	<b>1,589,874</b>	<b>(1,448)</b>	<b>--</b>	<b>--</b>	<b>(1,290,218)</b>	<b>298,208</b>

<sup>1</sup> Shifting account for those completed projects postponed or construction-in-progress fixed assets not provided retroactively reported elsewhere in this report.

**E. INVENTORIES**

The Lafourche Basin Levee District had no inventory at June 30, 2002.

**F. RESTRICTED ASSETS**

LaFourche Basin Levee District has no restricted assets.

**G. LEAVE**

**1. COMPENSATED ABSENCE**

The LaFourche Basin Levee District has the following policy on annual and sick leave: (Describe leave policy)

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 208 hours of accrued annual leave at the employee's hourly rate of pay at the time of termination.

The cost of leave privileges, computed in accordance with GASB Codification Section C90, is recognized as a current year expenditure in the General Fund when leave is actually taken; it is recognized in the employee funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in the general long-term obligations account group.

**2. COMPENSATORY LEAVE**

Employees who are terminated having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (8-times). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and only or may not be paid for any straight four-for-four compensatory leave earned. Compensation paid will be based on the employee's hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2002 (fiscal close) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C90.185 is estimated to be \$66,156. The leave payable is recorded in the accompanying financial statements.

**H. RETIREMENT SYSTEM**

Effective July 17, 2000, LaFourche Basin Levee District established a 412 Retirement Plan with Treasury Insurance Company adopting Transfer's Allocated Contracts which allows each participant to choose from five or more funds offered. This gives each participant their own account with the ability to administer their individual accounts.

The District's contribution rate for the fiscal year was 6.0% or \$52,360 with employees contributing \$38,395.

**I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable."
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

STATE OF LOUISIANA  
 LAFOURCHÉ BASIN LEVEE DISTRICT  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2002

Activity	Customer Receivables	Sparg	Receivables from other Governments	Other Receivables	Total Receivables
General Fund	\$	\$ 4,247	\$ 50,000	\$ 70,000	\$ 124,890
					0
Gross receivables	\$	\$ 4,247	\$ 50,000	\$ 70,000	\$ 124,890
Less: allowance for uncollectible accounts	\$	\$	\$	\$	\$
Receivables, net	\$	\$ 4,247	\$ 50,000	\$ 70,000	\$ 124,890
Amounts not collected for collection during the subsequent year	\$	\$	\$	\$	\$
					0

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2002, were as follows:

Activity	Vendor	Salaries and Benefits	Amount owed	Other Payables	Total Payables
General Fund	\$ 40,000	\$ 70,000	\$	\$ 200,000	\$ 310,000
					0
Total payables	\$ 40,000	\$ 70,000	\$ 0	\$ 200,000	\$ 310,000

**W. SUBSEQUENT EVENTS**

There were no subsequent events since June 30, 2002.

**X. SEGMENT INFORMATION**

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. (For the purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or an other stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GAAS 94, paragraph 122, as modified by GASB 37, paragraph 17.)

The Lafourche Basin Levee District controls 80 miles of levee which is made the Mississippi River Levee. This levee was constructed under the Mississippi River and Tributaries Project at an average cost of \$484,004' per mile for a total cost of \$38,720,312.

STATE OF LOUISIANA  
 LAFOURCHE BASIN LEVEE DISTRICT  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2002

The Federal Flood Control Act of 1938 gave authorization to begin the Mississippi River and Tributaries Project, which is managed by the United States Army Corps of Engineers. Prior to the Flood Control Act of 1938, dikes and levees were built initially by landowners and improved by state and local governments.

The Mississippi River Levees provide flood protection to the residents, businesses and industries of Louisiana. Without the levee system, Louisiana would not exist, as we know it today.

\*Cost data derived from information provided by the U. S. Army Corps of Engineers, New Orleans District.

A. Condensed statement of net assets:

- (1) Total assets -- (distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or STA's should be reported separately.
- (2) Total liabilities -- (distinguishing between current and long-term amounts. Amounts payable to other funds or STA's should be reported separately.
- (3) Total net assets -- (distinguishing among restricted (separately reporting expendable and nonexpendable components), unrestricted, and amounts invested in capital assets, net of related debt).

Condensed Statement of Net Assets:

	Amount, \$1	Amount, \$2
Current assets	\$ 12,643,718	\$
Due from other funds		
Capital assets	1,118,086	
Other assets	50,028	
Current liabilities	255,838	
Due to other funds		
Long-term liabilities	50,028	
Restricted net assets		
Unrestricted net assets		
Invested in capital assets, net of related debt	13,562,086	

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) -- with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent end-term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

**STATE OF LOUISIANA**  
**LAFOURCHE BASIN LEVEE DISTRICT**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2002**

**Condensed Statement of Revenues, Expenses, and Changes in Net Assets:**

	Amount \$1	Amount \$2
Operating revenues	\$ 179,029	\$ _____
Operating expenses	1,371,127	_____
Depreciation and amortization	186,000	_____
Operating income/(loss)	(1,378,098)	0
Nonoperating revenues (expenses)	1,076,400	_____
Capital contributions/additions to:		
permanent and loan investments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	(226,698)	0
Beginning net assets	13,094,818	_____
Ending net assets	12,868,120	0

**C. Condensed Statement of cash flows:**

- (1) Net cash provided (used) by:
  - (a) Operating activities
  - (b) Noncapital financing activities
  - (c) Capital and related financing activities
  - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

**Condensed Statement of Cash Flows:**

	Amount \$1	Amount \$2
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	0	0

**V. DUE TO/BE FROM AND TRANSFERS**

The Lafourche Basin Levee District had no due to/for from or transfers.

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

The Lafourche Basin Levee District had no liabilities payable from restricted assets.

STATE OF LOUISIANA  
 LAFOURCHE BASIN LEVEE DISTRICT  
 Notes to the Financial Statement  
 As of and for the year-ended June 30, 2002

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2002.

Fund balance July 1, 2001, previously reported		Adjustments		Beginning net assets, July 1, 2001, as restated
12,482,333	\$	1,112,348	\$	13,594,681

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at July 1, 2001, previously reported, must correspond to Net Assets at June 30, 2001, per the information received from CGRAP.)

The increase of \$1,112,348 was due to GASB Statement 34.

STATE OF LOUISIANA  
LAFOURCHE BASIN LEVEE DISTRICT  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
For the Year Ended June 30, 2022

Name	Amount
<u>Lynd Elmer</u>	<u>\$ 2,475</u>
<u>Jon Fournier</u>	<u>1,125</u>
<u>Carl Desjardins</u>	<u>1,050</u>
<u>Leonce Camarache, Jr.</u>	<u>2,820</u>
<u>Robert Lewis</u>	<u>2,700</u>
<u>Terly Ontogna</u>	<u>2,700</u>
<u>Kenneth Patten</u>	<u>2,660</u>
<u>Larry Sullivan, Jr.</u>	<u>1,860</u>
<u>Shelly Tuckel</u>	<u>2,125</u>
<u>Dorley Weber</u>	<u>3,480</u>
<u>Calvin Thompson</u>	<u>625</u>
<b>\$</b>	<b><u>22,275</u></b>

(SCHEDULE 1)

STATE OF LOUISIANA  
LAFOURCHE BASIN LEASE DISTRICT  
SCHEDULE OF STATE FUNDING  
For the Year Ended June 30, 2002

Description of Funding	Amount
1. Revenue Sharing	\$ 71,010
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
Total	\$ 71,010

SCHEDULE 2